



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

June 19, 2002

H.R. 1606

A bill to amend section 507 of the Omnibus Parks and Public Lands Management Act of 1996 to authorize additional appropriations for historically black colleges and universities, to decrease the matching requirement related to such appropriations, and for other purposes.

As ordered reported by the House Committee on Resources on May 22, 2002

SUMMARY

H.R. 1606 would authorize the appropriation of whatever amounts are necessary for grants to preserve and restore certain structures at historically black colleges and universities (HBCUs). Projects funded under the bill would be subject to the requirement that the grant recipient finance 30 percent of a project's cost.

Assuming appropriation of the necessary amounts, CBO estimates that federal costs to preserve and restore all historic structures at HBCUs would be about \$120 million over the 2003-2007 period, and a total of around \$650 million over the next decade. Such costs could be significantly higher or lower, depending on how many structures are eligible for federal funding, how many years it takes to complete the restoration program, and the availability of matching funds from potential grant recipients. H.R. 1606 would not affect direct spending or receipts; therefore, pay-as-you-go procedures would not apply.

H.R. 1606 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1606 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment).

	By Fiscal Year, in Millions of Dollars				
	2003	2004	2005	2006	2007
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	55	60	60	65	65
Estimated Outlays	5	10	25	35	45

BASIS OF ESTIMATE

The Omnibus Parks and Public Lands Management Act of 1996 authorized the National Park Service (NPS) to pay half of the cost of restoring eligible structures (mostly buildings) at HBCUs. To be eligible for a restoration grant under the 1996 act (or under the National Historic Preservation Act generally), a building must either be on the National Register of Historic Places or have been determined eligible for such listing by a state historic preservation officer. For the purpose of making the 50 percent matching grants, the 1996 act authorized the appropriation of \$29 million from the Historic Preservation Fund. All of the authorized funding was appropriated between fiscal years 1998 and 2001, and there were no appropriations specifically earmarked for HBCUs in 2002. HBCUs can still apply for grants but such applications would have to compete with other eligible applicants for federal funds awarded to their states.

H.R. 1606 would amend the 1996 Act to authorize the appropriation of such sums as are necessary to restore and preserve historic properties at HBCUs in addition to the existing authorization. For all such future grants, the HBCUs would need to provide only 30 percent of a project's costs rather than half, as required by the 1996 act. Based on information provided by the NPS and on a 1998 study by the General Accounting Office of restoration needs at HBCUs, CBO estimates that it would cost the NPS \$650 million to finance 70 percent of all such restoration projects over the next 10 years. This amount is based on restoration needs identified and priced by over 100 HBCUs using different standards and methodologies. Total federal costs could vary substantially from available estimates once the restoration program begins. Such costs could be much higher, particularly if program funding is spread over more years—as historic buildings continue to deteriorate and construction costs rise over time. Conversely, total costs could be much lower if a significant portion of identified projects are found to be ineligible for federal funding or if some HBCUs are unable to provide the 30 percent match.

PAY-AS-YOU-GO CONSIDERATIONS: None.

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

H.R. 1606 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The changes made by the bill would benefit colleges and universities eligible for grants under section 507 of the 1996 act, many of which are public institutions.

ESTIMATE PREPARED BY:

Federal Costs: Deborah Reis

Impact on State, Local, and Tribal Governments: Marjorie Miller

Impact on the Private Sector: Lauren Marks

ESTIMATE APPROVED BY:

Peter H. Fontaine

Deputy Assistant Director for Budget Analysis